

**QUESTION BANK**

**UNIT-IV COST ESTIMATION**

**Part-A (2 Marks)**

1. What are the elements of cost?
2. What are the types of cost?
3. What is meant by direct material?
4. What are the types of direct material?
5. State some examples for direct material.
6. What is meant by indirect material?
7. Who are called direct labour?
8. State some examples for direct labour?
9. What are factory expenses?
10. What are administrative expenses?
11. What are distribution expenses?
12. Who are called indirect labour?
13. What is meant by factory on cost?
14. Defining selling expenses.
15. What is total cost?
16. What is prime cost?
17. What is meant by office cost?
18. List various components of cost.
19. Give any two examples of distribution expenses.
20. What is ladder of cost?

**Part-B (16 Marks)**

1. (i) Name the various elements of cost. (8)  
(ii) Explain each element in detail giving suitable examples. (8)
2. Contrast between direct materials and indirect materials. (8)  
(ii) What do you understand by the term 'overhead expenses'? List few items of overhead expenses in a factory. (8)
3. What items of expenditure are included in administrative overheads? (16)

4. Describe in brief:
  - (i) Selling expenses, (8)
  - (ii) Distribution expenses. (8)
5. List various components of cost (16)
6. Explain the terms prime cost, factory cost, total cost and selling price. Show the relationship between various components of cost with the help of a block diagram.
7. Briefly explain all the factors to be considered while calculating the time required for a particular job. (16)
8. Define the following terms:
  - (i) Set up time, (4)
  - (ii) Handling time, (4)
  - (iii) Machining time, and, (4)
  - (iv) Tear down time. ,(4)
9. What are the various time allowances which should be considered for calculating labour cost?
10. Under what situations, you can use the allocation of overhead expenses by percentage on prime cost method